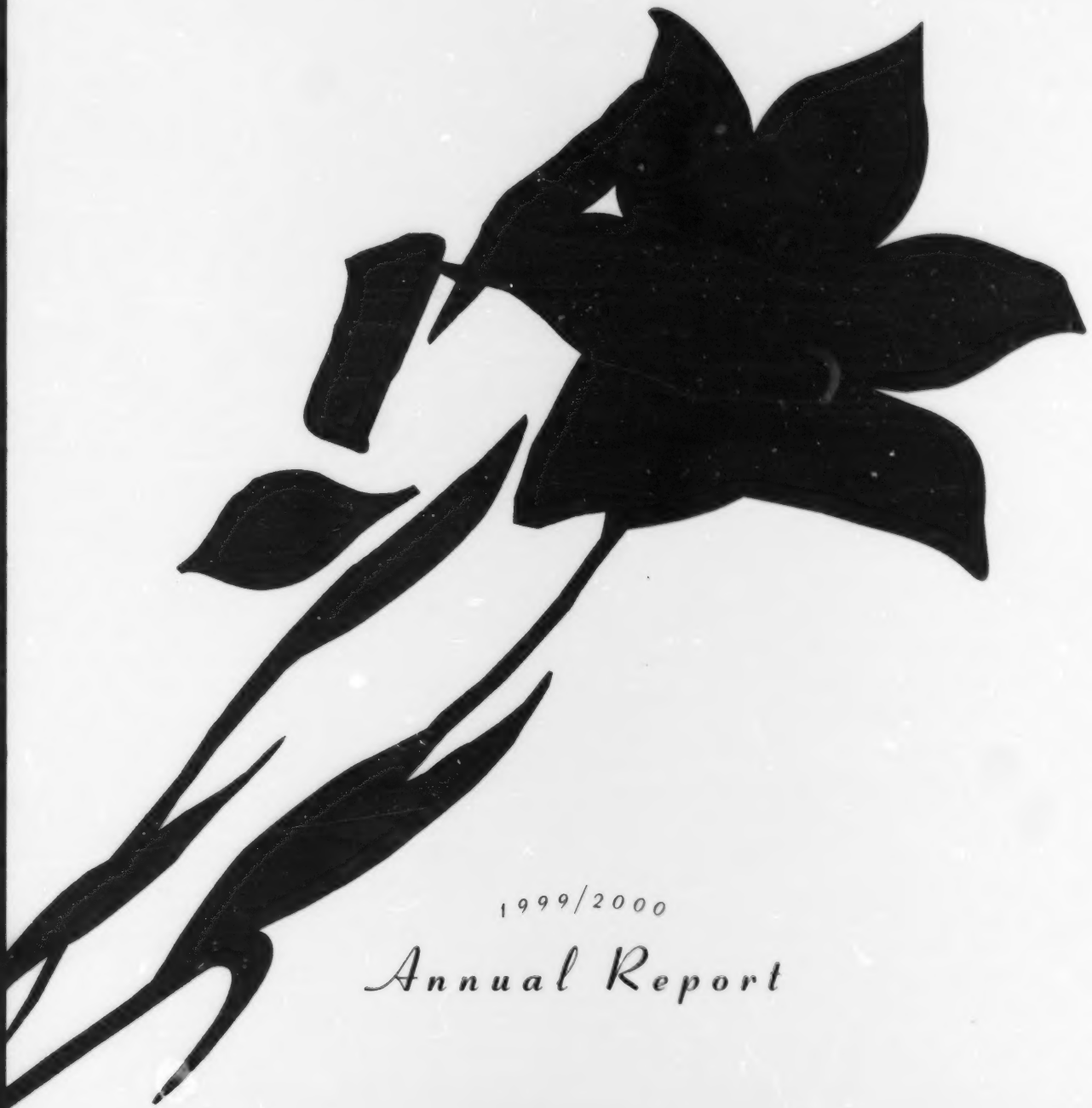
TOURISM SASKATCHEWAN



1999/2000

Annual Report

101-01947/

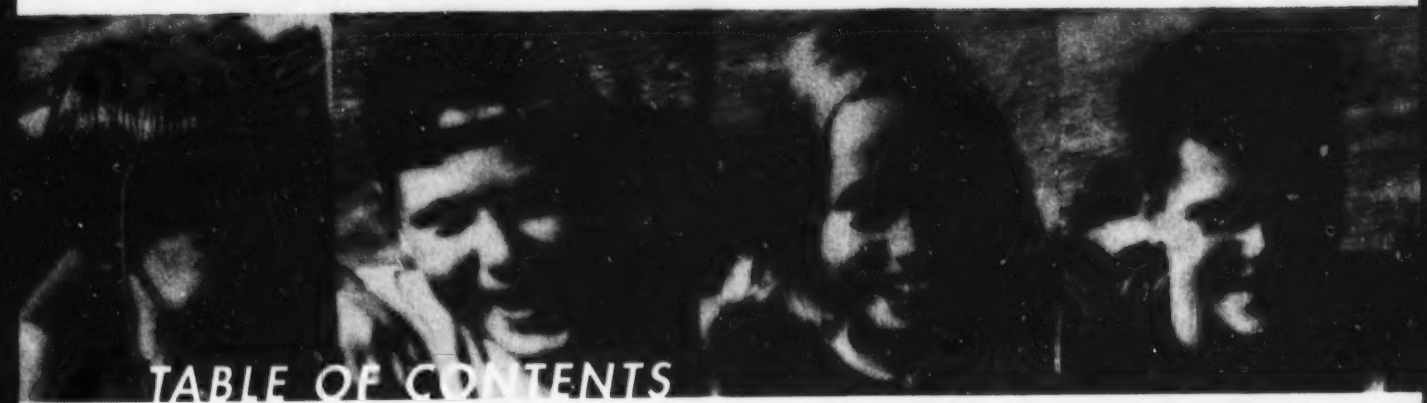
OUR VISION OF TOURISM IN SASKATCHEWAN

Tourism will be a vital, growing and sustainable economic sector.

VALUES OF TOURISM SASKATCHEWAN

- We believe in providing leadership through excellence in marketing and developing Saskatchewan's tourism potential.
- We believe in the power of teamwork, while respecting individual differences.
- We believe in conducting ourselves responsibly and with integrity in all endeavors.
- We believe in accountability, loyalty and commitment to our partners, our members and ourselves.
- We believe in responding creatively to member needs and business opportunities.
- We believe in contributing to the social, environmental and economic well-being of our province.
- We believe that the wisdom of Elders can provide us with guidance in the appreciation of our natural heritage.
- We believe in adapting enthusiastically to future challenges and opportunities.

rd • AAA Party WorldRentals • Abbey Garage & Hardware Ltd. • Abstractions Cat© • Academy of Learning • Ace Outfitting • Acel Upland Outfitters • Academy Scholastic
(1994) • Akropol Family Restaurant • Alfredos on Scarth • All Occasions GiftBaskets • Allen Sapp Gallery • Alley Katz/Whitemud Clay Pottery • Allied Printers Ltd. •
House • Anchor MarineSports Services Ltd. • Ancient Echos Interpretive Centre • Anderson/FAST & associates • Andy JamaultNature Trail • Angel Shoppe, The • Anglers
• Aquadeo Beach Resort & Outfitting • Arbour Ridge Inn & Suites • ArcasGroup Inc. • Archerwill Drift Riders Inc. • Arcola, Town of • Armada Inn Motel • Armstrong
x DistrictHistorical Society • Assiniboia, Town of / Assiniboia Tourism • Assiniboine River Taps • Assoc.Culturelle de Bellevue • Association of Regina Realtors • Association
rray College of Notre Dame Archives/Museum • Atton'sLake Regional Park • Ace Audio Tours Automobile & Cycling Entertainment • Audio Warehouse • Aunt Bea'sBed
• Avis CarRental • Avonlea Heritage House Museum • Avonlea, Village of • Awl Shoppe, The • A & W Prince Albert • B& D Guiding Services • B & D Husky • B & J's
Balloon Fun • Bank of Nova Scotia • Bar-B-Inn • Bar-F Country Bed 'nBreakfast • Barker's Trophies • Barley Mill Brew Pub • Barn Playhouse • Barndog Music Productions
fordEiling Kramer Campground • Battle River Tourism Association • Bayside • Bayside Resort & Grocery • Bazaar & Novelty • "bean there" - Espresso Bar & Eatery • Bear
ue Recreation Board Campground • Bengough, Town of • Bennett Dunlop Ford • B & E Price Watchers Drug Mart • Berger Belanger, C.A. • Berry Barn, The • BertingGlass
lfFashions (Saskatoon) • Bettylou Boutique • Beyond La Ronge Lodge • Bielinski's Academy Florist • Bienfait Coalfields Hist Society Museum • Biggar Museum & Gallery
lock's Saw & Cycle Ltd. • Bloomer's Gift& Christmas Cottage • Blue Heron House • Blue Willow Inn • Bluenose Country Vacation Farm B & B • BlueWinds Fish'n Tours
Brier Patch • Boomtown Outfitters Ltd. • Borden Museum • Border REDA • Border Mountain Country B & B • Boreal Camp Services/Outfitting Ltd. • Borealis Outdoor
Inn • Brake Check • Brassard Service Ltd. • Brass Lantern••Brass Ring Creative Services Ltd. • Brentwood Trailor & RV Park • Brennan Office Plus • BrewstersBrewing Co.
n RackBilliards • Broncos Western Outfitters • Bronco's Western Outfitters • Brown Communications Group • Brown's Leisure World • Brown's Motor Inn, Manitou Beach
und Provincial Park • Buffet Village • Buffalo Days - TheProvincial Exhibition • Bunkers Indoor Golf Ltd. • Burger King Restaurants Regina • Burger King PrinceAlbert •
• CAASaskatchewan Travel • Cabin Fever Collections • Cabri, Town of • Cactus Junction • Cadillac Oak & PineFurniture • Cat© Ultimate • Caledonian (Callie) Curling
l Airlines • Canadian Western Agribition • Canadian Western Bank • CanAm International Hwy. Assoc (Sask) • Canadian Heritage, Dept. of • Canadian Ways Canoeing •
Course • Canoeski DiscoveryCompany • Canora, Town of • Canora Beach Resort • Capital Cab 2000 • Capone's Hideaway Ltd. • CapriPlace • Caravel Motel • Carefree
ff, Town of • Carroll's Cove Campground • Cartwright Street Bed & Breakfast • CasaItalia • Casa Ricci Restaurant • Cash Cable Cat© • Casino Regina • Castle Furniture •
Resort • Cedar Village Cottages••Centennial Auditorium • Centennial Ford Sales • Brigette Konrad / Century 21 Dome • CFQC Television • CHAB • Chalet Restaurant &
pters • Charter House Village Mall • Chateau Park Chalets • Cheesetoast Restaurant • CheltonSuites Hotel • Chc-Ra-Stables • Cherrydale Golf & Campground • Chic-A-
Circle 6 Motel • Circle Drive Alliance Church • City of Regina Pipe Band • City Life Publications • City Centre Motel • City of Regina • City of Regina••City of Regina •
st • Classic View Resort • Claybank Brick Plant Historical Site • Clayton McLain Memorial Museum • ClayStudio Three • Clearwater Raft Tours (1994) Ltd. • CNT Prairie
Gallery • College Drive Visitor Lodge • CollinsCamps & Outfitting Inc • Colonial Square Motel • Colonsay, RM of • Color Productions • Colpitt'sAgencies Ltd • Comfort
Confederation Inn • Confederation Mall • Conseil de la Co-operation de la Saskatchewan • ConseilCulturel Fransaskois Fete Fransaskois 2001 • Continental Factory Direct
ll Centre • Coronach & District Tours • Coronach Tourism/ Town of Coronach • Coronach Hotel • Coronation Park Esso • Costco Wholesale Canada • Country BowMotel
side Motors • Countryside Family Restaurant • Country Style B.B.Q. • Country 800 CHAB • Country Roads Motor Inn • Courtney Milne Productions • Courtesy Air •
Crawdaddy's Louisiana Bar & Grill • Creative Edge Advertising Concepts Ltd. • Creative Compliments Saskatoon • Creative Compliments • Creative Display • Cree Lake
rism • Crescent House Bed &Breakfast • Genesis Custom Corporate Promotions Ltd. • Crescent Park Hideaway • Crooked Cue Billiards • Crossing Resort, The • Crosstown
es for Women • Custom Printers Ltd. • Cut Knife Tourism Committee • Cypress ParkResort Inn • Cypress Hills Interprovincial Park • Cypress Hotel • Cypress Hills General
ewan • Danceland, Manitou Beach • Danka • Darrell Bell Gallery • Dash Tours • David Laird Campground • Davin Lake Lodge • DavidsonCampground • Daybreak Bed
search Inc. • Decorating at the Plum Tree • Decor Complete Ltd. • Deer ParkMunicipal Golf Course • Deer Ridge - the river side course • Deer Valley Golf and Estates •
evel-Tech • Diana May Clay Ltd • Diefenbaker Canada Centre • Digger's Road House • Digital Adventure • Dimension 110 Consulting • Dinos Ice Cream / CJ Designs •
c. • Diverse Catering • DJ's RV Centre Ltd. • DJ's YablonskiAutobody Ltd. • Dobbin Lake Lodges • Docs Town • Doerksen Enterprises Ltd. • Do It With Class YoungPeople's
e Quick PrintLtd. • Dowies Stationery (1986) Ltd. • Downtown Bingo Association • Dragan Drugs (1990) Ltd. • DragonVillage & Gifts • Dreamweavers Bed and Breakfast
Duck Mountain Provincial Park • Duck Mountain Regional Park • DucksUnlimited Canada • Dusty's Place Hair & Tanning Salon • DWR Snowmobile Tours, Greenwater
Authority Inc. • EastCentral Saskatchewan Tourism Region Inc. • East End Services & Motel Ltd. • Eastview Bowl • East CentralSaskatchewan Tourism Region Inc. • Eatonia
The Northview • Eden REDA • Source For Sports • Elbow, Village of • Electric Avenue Diner • Elephant & Castle • Elk Ridge Golf & RV Resort • Elk Ridge Golf & RV
s • Elysian Dream Productions • Emerald Park Golf & Country Club • Emerald Glass & Gallery Ltd • Enchanted Chapel Tea Room & Gift Shop••En Route Interpretations
stevan Arts Council • Eston, Town of • Etertera, Etcetera • Etomami Valley REDA • Events EdgeEntertainment • Everlasting Bed & Breakfast • Exotic Encounters Travel •
t and Tea Room • Far North WildernessOutfitters • Farrell Agencies Ltd. • Fashions Sixth Avenue • Federation des Francophones de Saskatoon • Federation of Saskatchewan
rds • Fieldstone Park • Fieldstone Inn, The • Comfort Plus Campground • Fine FurnitureOuts • First Fitness • Fishermans Cove Greenwater Provincial Park • Fisher House
eum • Foam Lake Campground • Folktest • Forest Fringe Snowmobile Assoc. • Forest House Eco Lodge • Forrest Lake Outfitters • Fort Qu'Appelle Town of • Fort Walsh
munications • 4 Seasons Restaurant • Fox Den Motel • FoxValley, Village of • FrHPhotographic Design • Franklin Hotel / Motel • Fraser - Travel Thru Time Museum •
ik Ltd. • Galenzoski Consulting••Gallery on the Road • Galon Insurance Brokers • Garden Gallery • Garden River Outfitters • GarryRobertson DJ's • Gateway Resort / S.W.
Canadian Club Concordia • Gervais Wheel Museum • Gladeys Doll House • Gladstone Inn • Glenwood Trailer Sales Ltd. • Glen Hills Trophy Expeditions • Gleneaton Esso
Golden Prairie Tours • Golden Wally Outfitting • Gold Eagle Casino • Golden Lynx • Golf's Steak House • Golf Kenosee Inc. • Golfview Mobile Acres • Good Knight Inn
riage-Culture Centre • Grandma Shirley's Bed & Breakfast • Gran's Crafters Cove • Grasslands National Park • Grassmere Country Store • Gravelbourg, Town of • Gravelbourg
• Great Western Brewing Company Ltd. • Great Times • Great Canadian Bingo Corporation • Great Excursions • Great Western Brewing Company Ltd. • Great Impressions
es Motel • Greenwater Lake Provincial Park • Grenfell, Town of • GrenfellRegional Park • Grey Owl Camp Fly In Ltd. • Grosvenor Park Centre • Grumpies Grill & Coffee
made Gifts To Go • Hand Wave • Handyman Connection • Happy Inn • Happy Valley Bed & Breakfast • Happy Campers RV • Harbour Golf Club & Resort Inc. • Harbour
rvard Communications • Harvest Moon Beer Festival • Harvest Moon Technologies • Harwoods • Harwell Tea Room, Gardens & Gift Shop • Hasbala Lake Lodge • Hatchet
ld Northwest • Heart of the Prairie Crafts • Hearts Westview Pharmacy • Heavenly Creations Group Ltd. • Helicopters Whole Food Vegetarian Restaurant • Helping Hands
e Jay • Hertz Bus Ltd. • Hertz Rent A Car • Hidden Hilton Motel • Hidden Valley Golf Resort • HighPoint Buick Ranch • Hillcrest Motel & Outfitters • Hillsdale Shell •
Global Newspapers • Home Sweet Home • HomespunCraft Emporium • Home Depot • Home Building Centres • Homestyle Beverages • Hometown Tours • HopkinsPrinting
mentInstitute • Hotel Saskatchewan Radisson Plaza • Hotel Senator • Hotels Association of Saskatchewan • Hotels Association of Saskatchewan • Houghton Boston Printers
Inn Express & Suites • Hub City Collectables • Hub CityDisplay Ltd. • Hub City Display Ltd. • Hudson Bay, Town of • Hudson's Hutton Hudson's • Hudsons Bay Company
FamilyRestaurant • Hunters Paradise Outfitters • Husky Car & Truck Stop • Ice House Tavern • I Had That! • Imagery Illustrations • Imagination Plus Dance & Costume
Imperial 400 Motel - Lloydminster • Imperial 400 Motel • Impressions Art Gallery & Custom Framing • Independent Agencies (1990) Ltd. • Indian Head Museum Society •
The • Inntowner Motor Inn • International Art Promotions • Interspace Airport Advertising • International Flags • International Food Tenders School Ltd • IPSCO Furrex
ke Lodge • Jasper Cultural/Historical Board • Jay's Moving& Storage Ltd. • Jenode Tours Ltd. • Jewel of the North Snowmobile Adventures • J & J Sound Systems Ltd. • Joe's
e Limited • Josdal Camps Ltd. • Jo's Jewellery • Joyce Tourney Remax Realty • Juventus ChoirInc. • K & P Outfitters • Kal Tire • Kamsack, Town of • Kanuka Thuringer •
t Hotel • Katepwa Beach Golf Course • KeepsakeGallery • KEGA Fabrics • Keg Steakhouse & Bar • Keg Steakhouse & Bar • Kelly Services (Canada) Ltd. • Kelly's Wilderness
nd Motel • Kenosee Super Slides Inc. • Kenosee Condos • Kens Plumbing & Heating • Kerrobert, Town of••K.C. Bowl • Kindersley, Town of • Kindersley Inn • Kings Acres
nudsen's Pipe Dream • Kokopelli Gifts • Foster's Wilderness Fishing • KPMG • Kwik Lube n Exhaust • K.W. Mens Wear (1991) Ltd. • Kyle, Town of • LabattBreweries Prairie
keside, RM of • Lakeland Marine Rentals Ltd • Lakers Unlimited Inc. • Lakeview Lodge • Lakeview Resort Hotel • Lake Diefenbaker Park Area (CRM) • Lakeview Golf Club
Cat© • Lang, Village of • Lanigan Golf & Country Club • Lanigan Lions Campground • La Reata Ranch • La Ronge Motor Hotel & Outdoor Adventure Company Resort •
e Drifters • LastMountain Fall Walleye Classic • La Troupe du Jour Inc. • Laurie's Visitor Lodge • Laurie Artres Ltd. • La Vista Motel • Lawrence Bay Lodge & Airways • Lazy
prises Inc. • Leroy Leisureland Regional Park • Limerick Hotel • Lindwood Lodge • Lindas of the Valley • Linda's Printing Place • Lins Restaurant Ltd. • Liquidation World •
esEntertainment & Tours • Lloydminster Tourism & Convention Authority • Lloydminster Agricultural Exhibition Assoc. Ltd. • Lone Wolf Camps • Longview Bed & Breakfast
ti • Lower Qu'Appelle Provincial Park Area • LuckyGoose Lodge • Lucky Seven Lickpost • Lumsden & Chamber of Commerce • Luscious Bite Catering • LuxelandCommunity
m/Suites • Mackenzie Reed Guest House for Women • MacLean Campground • MacSweens • Cabins • MadisonsFurniture Plus • MadyBoxes Etc. • Maguire Regional Park
n, Manitou Beach • Manitou Springs Resort • Manitou Springs Resort & Mineral Spa • Manitou Springs Resort & Mineral Spa • Manitou Beach Golf Club • Manitou Beach
anos Restaurant • MantonRealty Inc. • Maple Creek Golf Club Inc. • Maple Creek, Town of • Maple Grove Motel • Maple Creek CowboyPoetry Gathering & Western Art •
keting Den • Marks Work Warehouse • Marlboro Inn • Marlin Travel • Marquis Inn • Martinwood River Outfitters • Mattinsons Bed & Breakfast • Master Barbeque Company
rald's Restaurant • McDougall AnimalHospital Ltd. • McDonald Family Restaurant • McKellops, RM of • McMasters Photographics • McNabRegionalPark Authority
• Melfort & District Chamber of Commerce • Melfort Campground • Melfort Golf and Country Club••Melfort Heritage Inn • Melfort Motel • Melville Heritage Museum



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CORPORATE PROFILE

Tourism Saskatchewan is the industry-driven organization, in partnership with the provincial government, dedicated to the development and promotion of Saskatchewan's fastest-growing economic sector: tourism.

This unique government/industry partnership – the first of its kind in Canada – represents more than 3,500 stakeholders across the province and offers our partners a comprehensive range of programs and services designed to position Saskatchewan as a contender in the world tourism marketplace.

The fiscal year 1999/2000 marks our sixth full year in operation. In 1992, the Saskatchewan government identified tourism as one of the province's six key economic sectors, and established the Minister's Task Force on Tourism Partnerships to consider the future direction of Saskatchewan's tourism industry. The Task Force recommendations led to the creation of the Tourism Authority, now operating as Tourism Saskatchewan, in October 1994, transferring responsibility for most tourism functions from the government's Economic Development department to the new Authority.

The rapid growth and increasing prominence of Saskatchewan's tourism industry led to the next step in the Authority's evolution. On May 1, 1996, the province's three key tourism organizations – the Tourism Authority, the Tourism Industry Association of Saskatchewan (TISASK) and the Saskatchewan Tourism Education Council (STEC) – merged to form Tourism Saskatchewan. This merger, combined with the transfer of the tourism product development mandate from the provincial government in April 1996, created the most comprehensive tourism partnership in Canada.

Together with our partners, we are working to realize Saskatchewan's tremendous tourism potential.

MESSAGE FROM THE GOVERNMENT

Saskatchewan's tourism industry holds great promise for our province's future. Tourism generates more than $1.1 billion annually for our economy, dollars that reach every corner of the province. Tourism employs one in every 10 Saskatchewan workers, offering challenging careers for people throughout the province and creating viable opportunities for our youth. And tourism fosters a sense of pride in the beautiful province we call home, and which we share with unparalleled hospitality with our visitors.

In our recently released economic strategy, our government identified tourism as one of the province's key sectors targetted for growth. Given the current trends in travel, the 21st century will belong to destinations such as Saskatchewan. Today's travellers are seeking authentic experiences: experiences with unspoiled nature; with rich history; with fascinating culture. These are among Saskatchewan's strengths, and it is on the basis of these strengths that our tourism industry will continue to flourish.

Saskatchewan people tend to be too modest about that which we call our own. But viewed through the eyes of a visitor here—who has never seen such an expanse of sky, or breathtaking sunset, or pristine lake—Saskatchewan is indeed a unique and special place, home to wonders yet to be discovered by residents and visitors alike.

On behalf of the Provincial Government, I would like to congratulate all of those working in the Saskatchewan tourism industry, who are helping this province and this dynamic sector to realize our true potential.

Janice MacKinnon
Minister, Economic and Co-operative Development

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I am proud to present Tourism Saskatchewan's 1999/2000 Annual Report, and to share the many activities and accomplishments of our industry over the past year.

The results of this first fiscal year passing from the old to the new millennium augur well for our industry's future. Yet again, requests for information about Saskatchewan reached a new high: to the end of September 2000, Tourism Saskatchewan received 636,491 inquiries, up 59 per cent over the same period the previous year. Membership in Tourism Saskatchewan hit 2,000, making it the largest member-based tourism organization in Canada. And enrollment in tourism certification programs, delivered through the Saskatchewan Tourism Education Council, surpassed 2,000, the highest level per capita in the country.

The year 2000 saw the launch of several successful initiatives, involving both industry and non-traditional partners, which contributed to the awareness and development of tourism in Saskatchewan. In partnership with the Anniversaries Secretariat, Tourism Saskatchewan created the on-line Saskatchewan events calendar, a comprehensive guide to more than 1,300 exciting events and festivals. SaskTel's 2000 Summer Getaway Contest featured unique Saskatchewan vacation destinations as major prizes. With support from the Canada/Saskatchewan Western Economic Partnership Agreement, STEC designed the innovative on-line Business Skills Development program for tourism operators. Together with the Ecotourism Society of Saskatchewan, we introduced the Horizons accreditation system, continuing our leading-edge role in the evolution of the ecotourism industry.

These are only a few of the highlights of the past fiscal year. Along with these noteworthy achievements and the many other activities described in this report, Tourism Saskatchewan ended the year with a surplus of $310,250, an important accomplishment and a significant turnaround from 1998/99's year-end deficit. Credit must go to the management and staff of Tourism Saskatchewan, whose dedication and commitment to the organization and industry are outstanding. On behalf of the Board, I offer them our sincere thanks.

I also wish to commend Vice President Stephen Pearce for his exceptional leadership of the organization during the past year, and to extend my congratulations and best wishes to new Tourism Saskatchewan CEO Roy Anderson, who joined the organization on October 1, 2000. I am confident that his knowledge, his leadership ability, and his commitment to the grassroots development of the industry will prove invaluable as we face the opportunities and challenges that lie ahead.

Finally, I wish to acknowledge the ongoing and valued support of our industry by the Province, through the department of Economic and Co-operative Development and the Honourable Janice MacKinnon. Indeed, Saskatchewan's tourism industry can and will play a key role in the province's future, and we look forward to continuing to work with our government partner to realize our common goals.

I want to thank my colleagues on the Board for their leadership, dedication and good judgement, and for their support shown to me during my term as Chairman. I leave my position on the Board with great pride in all that we have accomplished together as one of Saskatchewan's most dynamic industries, and I look forward to the exciting growth and development yet to come.

R. Wayne Fennig
Chairman of the Board

BOARD OF DIRECTORS

DIRECTOR	APPOINTED BY
Wayne Fennig, Chair	Elected at large
Debbie Greening, Vice-Chair	Elected at large
Gary Atimoyoo	Federation of Saskatchewan Indian Nations
Kimberly Beaudry	Tourism Regina
Wayne Elliott	Parkland Regional Tourism Associations
Garth Harris	Forest Regional Tourism Associations
Peter Kingsmill	Elected at large
Darryl McCallum	Metis Nation of Saskatchewan
Orval McComb	Hotels Association of Saskatchewan
Jeremy Morgan	Heritage/Arts/Multicultural
Larry Spannier	Government of Saskatchewan
Ray Vangen	Prairie Regional Tourism Associations
Carole Wakabayashi	Tourism Saskatoon
Ed White	Saskatchewan Outfitters Association

*as of September 30, 2000

For their service on the Board of Directors in 1999/2000, Tourism Saskatchewan thanks:
Donna Carlson, Saskatchewan Outfitters Association; Wayne Gamble, Tourism Regina; Jo Mader, elected at large; Fraser Nicholson, Government of Saskatchewan; and Angus Pratt, elected at large.

PRESIDENT'S MESSAGE

Prior to joining Tourism Saskatchewan, the majority of my professional time as a management consultant was spent working with the tourism industry. My move from private practice to my current position is a great opportunity to work directly with the team responsible for taking tourism in our province to the next level. The years I've spent working with Saskatchewan's tourism industry have provided me with the background and experience I feel is required in my new role. In the coming months and years, you will see that I am committed to the industry and will ensure that the policies and programs of Tourism Saskatchewan continually reflect that commitment.

Having only started with Tourism Saskatchewan in October of this year, I cannot take credit for any role in the accomplishments realized by the organization over the last fiscal year. However, from my perspective, the most significant achievement is the about-face that has occurred in the financial position. The surplus realized this fiscal year is a testament to the dedicated efforts of the entire staff and board.

Sacrifices were made in an effort to alleviate the previous year's deficit. With this in mind, the team was still able to facilitate a wide range of industry activity and achieve considerable success. The full financial commitment to the regions was maintained, and the relationship between our regional partners and Tourism Saskatchewan has taken shape. Our STEC division continues its role as one of the leading tourism education councils in Canada. New market approaches resulted in a large growth in inquiries via the Internet. Other successes are profiled throughout this report.

In the coming years, it is critical that we increase our level of activity in key markets of interest. As important, we must continue to work together on the development of our tourism assets and infrastructure. The challenges are significant and will require shared, concentrated efforts and commitment from all of the industry's partners.

I would like to thank Minister Janice MacKinnon and her team at Economic and Co-operative Development for their continued support of our industry. On behalf of our organization and the management team, I would also like to thank our board members for the commitment of their time and energy.

As we move forward into 2001, I am excited about the opportunities. To our members, thank you for your support over the last year. I look forward to working with you as we take the tourism industry in Saskatchewan to the next level.

Roy Anderson
President and CEO

YEAR IN REVIEW

FACTS AND FIGURES

• Tourists spent an estimated $1.16 billion in Saskatchewan in 1999, an increase of 2 per cent over 1998, and fully 23 per cent over 1994.

• Non-resident expenditures (export dollars) in Saskatchewan formed the major part of that growth. Expenditures from other parts of Canada, the United States and overseas grew to $444.3 million, an increase of 9 per cent over 1998 and 46 per cent over 1994.

• Non-resident expenditures continue to gain importance in Saskatchewan tourism growth, now accounting for 60 per cent of overnight or longer trip expenditures in the province compared to 57 per cent in 1998 and 53 per cent in 1996.

• Although United States residents visiting Saskatchewan for one or more nights in 1999 decreased 9 per cent, to 200,000, from 1998's record, their expenditures increased over 18 per cent to $158 million. An additional 133,000 United States residents visited for less than 24 hours in 1999, spending $3 million.

• United States visitors' average expenditures per overnight or longer trip increased to $780 in 1999, an increase of 31 per cent over 1998 and 60 per cent over 1994.

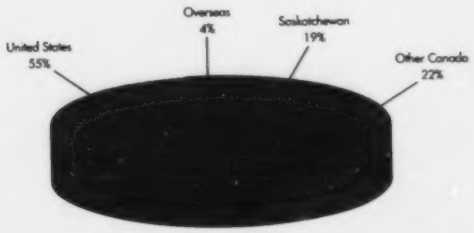
• To the end of August 2000, 79,521 United States residents spending one or more nights entered the province directly, an increase of 0.7 per cent over the same period in 1998. (Note: more than 55 per cent of our United States overnight or longer visitors enter Canada through another province.)

• In August 2000, tourism-related employment soared to 49,400 jobs – 52,848 if tourism-related gas station, food and drink, and souvenir stores are included. That's one in every 10 Saskatchewan jobs. Tourism-related industries provided 1.9 jobs for every manufacturing job - 33 times as many jobs as forestry and logging - and 3.6 jobs for every mining, oil and gas extraction job. Of those tourism-related jobs, 69 per cent were full-time. (Statistics Canada, August Labour Force Survey, unadjusted.)

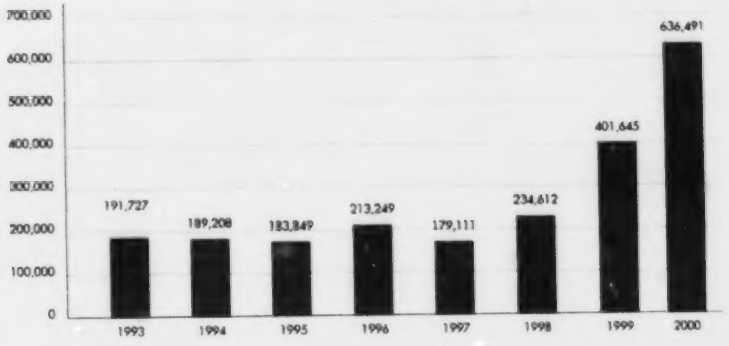
• Inquiries to Tourism Saskatchewan, led for another year by significant growth in Internet visits, reached 636,491 for the period from January 1 to September 30, 2000. This is an increase of 58 per cent over 1998 for the same period and three and a half times the inquiries received in 1994. We estimate that 50 per cent of traditional inquirers and 6 per cent of Internet inquirers convert to a visit in the year they inquire.

• In 1999, Saskatchewan's travel deficit improved for the third consecutive year. At $210 million, the deficit shows major gains from the peak deficit of $338 million in 1993. The travel deficit is the balance of expenditures after revenues from non-resident visitors are subtracted from the amount of money Saskatchewan residents spend on travel outside Saskatchewan.

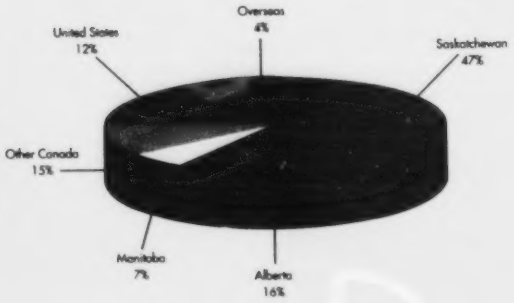
Inquiries to Tourism Saskatchewan by Origin January to September 2000



Tourism Saskatchewan Inquiries January 1 to September 30, 1993 to 2000

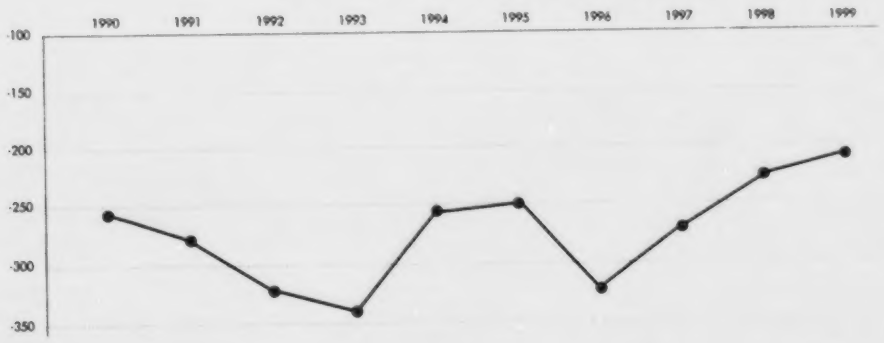


Expenditures on Overnight or Longer Trips by Origin 1999



Average Trip Spending by United States Residents Visiting for One or More Nights

Saskatchewan Travel Deficit 1990 to 1999 ($ millions)



ACHIEVEMENTS AND ACTIVITIES

Tourism Saskatchewan was active in a wide range of initiatives this fiscal year aimed at supporting the Ends Policies, which are broad directional statements of intent developed for the organization by our Board of Directors. The Ends Policies guide staff in establishing our goals and objectives, as we strive to meet the challenges and demands of a prospering and increasingly competitive tourism industry.

The following outlines the many highlights of the year, October 1, 1999 through September 30, 2000.

Ends Policy 1: Well-developed tourism markets in areas of strength.

- *Dramatic increases in inquiries*
- *Won international advertising awards*
- *Hosted travel agent and media FAMs, generating unpaid publicity*
- *Saskatchewan represented in major international tour company materials*
- *Continued use and positive feedback on fishing and hunting database*

One of the great tourism stories of the year has been the incredible growth in web site hits and requests for information about Saskatchewan as a vacation destination. To the end of September 2000, inquiries to Tourism Saskatchewan had reached 636,491, compared to 401,645 for the same time period in 1999 – a 59 per cent increase. This growth in inquiries has been led by rapidly increasing numbers of visits to Tourism Saskatchewan's web site. In the first three-quarters of 2000, Internet inquiries had more than doubled what they were for the same period in 1999. The site has proven to be an effective and much appreciated means for potential visitors – and residents – planning or considering travel in Saskatchewan.

Following in the footsteps of our 1999 advertising award successes, Tourism Saskatchewan and Brown Communications Group were recognized again for excellence in advertising, with two bronze Summit Creative Awards for print advertising. Our ads stood out among more than 3,000 entries from Australia, Europe, the U.S. and Canada! A series of television ads were aired during the Labatt Brier, Canada's national curling championship, held in Saskatoon in March. The ads reached more than a million viewers around the country, and received widespread rave reviews.

The Marketing area was also busy promoting the province through numerous travel media and travel agent familiarization trips. This past year, Tourism Saskatchewan hosted a total of 45 travel media projects and fam tours, and unpaid media publicity surpassed our

$500,000 objective. Outdoor magazine, In-Fisherman magazine/television and various ESPN and Outdoor Life Network programs are just some of the media that shared Saskatchewan with their readers and viewers. Six travel agents from southern and northern California, Arkansas and Texas were thrilled with their five-day experience in Saskatchewan. Part of the Canada Specialist Dollars Due North program, the "fam" trip in July was a first-time visit to Saskatchewan for all six agents.

Other promotional coverage included Saskatchewan representation in the sales material of three international tour companies: WKD Germany, Marlboro Reisen Germany and Everlight Travel Taiwan. Working with the provincial tourism regions, packages were introduced to international travel markets at the Rendezvous Canada travel trade show in Calgary in May 2000. Meetings with more than 50 industry partners over the course of the year were conducted to further develop senior RV/group tour packages. In conjunction with the outdoor adventure sector, a partnership strategy was developed a few years ago that has involved the continued use of an outfitters' database in the outdoor adventure market. Fishing and hunting outfitters have expressed their appreciation for this database, which has been continually upgraded to provide a streamlined procedure for matching clients to products.

Ends Policy 2: Opportunities for greater profits and employment within the Saskatchewan tourism industry.

- *Registered 334 individuals in STEC certification*
- *220 participants in Tourism Careers for Youth program*
- *Worked with First Nations and Métis groups on tourism training programs*
- *580 distinct operators involved in Saskatchewan TourNet*
- *Expanded North Portal Visitor Reception Centre*

Knowledgeable and professional tourism employees play an invaluable role in providing visitors with travel experiences that exceed their expectations – which is pivotal to having them return. Our education and training arm, the Saskatchewan Tourism Education Council (STEC), administers programs to achieve this, while also making tourism an increasingly attractive area of employment for job changers and those just entering the workforce.

Tourism occupational standards and certification is a foundation of education and training in Saskatchewan's tourism industry, and has enjoyed great success. This past year, our goal of registering at least 200 qualified certification candidates was vastly exceeded, with 334 new registrations taking place. With a total of 2,237 people registered in certification, Saskatchewan continues to have the highest per capita enrolment in the program in Canada. The Tourism Careers for Youth program also exceeded its objective for 1999/2000, with 220 participants – well above the targeted 165.

STEC continued to work closely with First Nations and Métis groups to ensure that training programs are developed that are appropriate and relevant to Aboriginal people. First Nations and/or Métis groups were involved in the development of standards for the occupations of casino dealer and slot attendant, and planning began for a large apprenticeship program for the food and beverage server and guest services representative trades. Additionally, these groups were involved in classroom-based and workplace-based training utilizing the Freshwater Angling Guide Workbook and Leader's Guide, toward Freshwater Angling Guide certification. The Aboriginal Business Guide and the Saskatchewan Best customer service program also benefited from First Nations and Métis input.

Ends Policy 3: Greater product diversity, including opportunities for authentic, natural, cultural and historical tourism experiences.

- *Tourism capital construction exceeded $300 million between 1995 and 1999*
- *New Horizons ecotourism accreditation system introduced*
- *Agritourism conference held in June 2000*
- *New Call Centre telephone technology adopted*

Careers in tourism gained additional profile with the inclusion in 1999/00 of a Tourism Management Diploma and an Ecotourism Certificate in the Saskatchewan Institute of Applied Science and Technology's (SIAST) course offerings. The addition of these programs to SIAST's roster attests to the growing recognition of tourism's career opportunities and employment potential.

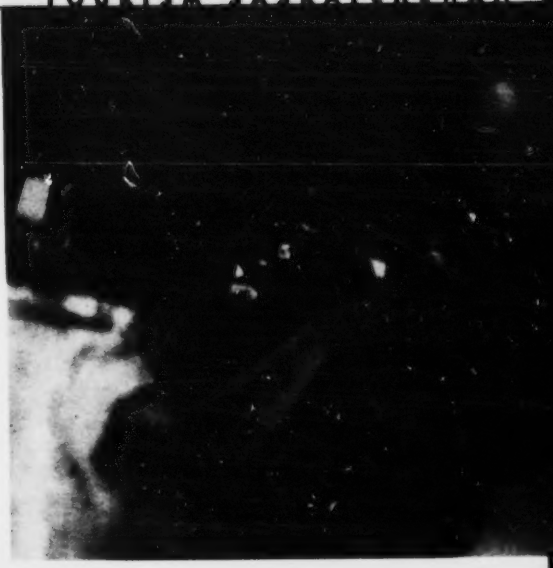
Promoting Saskatchewan successfully so that more visitors enter the province has a direct bearing on profits. Our Information Technology area exceeded its objective of at least 500 distinct operators participating in the Saskatchewan TourNet web program, with 580 involved by year-end. Saskatchewan TourNet links the web sites of tourism operators around the province to the Tourism Saskatchewan web site – in effect, providing one-stop Saskatchewan travel shopping for Internet users.

Those visitors entering the province from the states at the North Portal border crossing will be able to visit an expanded Tourism Saskatchewan Visitor Reception Centre there. The building was added onto and the Duty Free Shop, formerly in a separate building on the other side of the highway, moved in to this more prominent and convenient location. Additionally, the two operations should be able to share some services, such as a currency exchange counter, creating efficiencies for both.

The products and activities offered to residents and visitors through the tourism sector have increased and expanded considerably in recent years. Between 1995 and 1999 the accommodation, food services, arts and entertainment sectors of the tourism industry spent more than $300 million on capital construction, with $59 million of that spent in 1999 alone.

Saskatchewan continues to be a leading edge jurisdiction in the area of ecotourism. In April 2000, the Horizons ecotourism accreditation system was introduced. The program is a joint initiative of Tourism Saskatchewan and the Ecotourism Society of Saskatchewan, and will be operated by the latter organization. Horizons was launched in response to the need to identify and promote genuine ecotourism operations and best practices in this growing sector. Through accreditation, the business opportunities available to these operations can be expanded, while ensuring the conservation of the natural resources upon which they are based. Tourism Saskatchewan also worked with the Saskatchewan Country Vacation Association to further its accreditation program, which now includes a three-tiered rating system for SCVA member bed and breakfasts.

In the area of agriculturally themed tourism products, an agritourism conference and workshop was held in Regina



in conjunction with the Farm Progress Show, in June 2000, bringing together a variety of participants in this sector and furthering the recommendations of the Agritourism Strategy.

Tourism Saskatchewan worked with SaskTel to implement new telephone technology, carrying out the process in conjunction with the Regina office move in December 1999 so that costs were minimal. The new technology allows for improved customer service, with 88 per cent of calls answered by our Call Centre Travel Counsellors within 20 seconds, and call abandonment rates kept very low, at 3.7 per cent. This exceeds Grade of Service standards of 80 per cent of calls answered within 20 seconds and five per cent, or less, call abandonment rates. With the new technology, call information tracking has also been improved, enabling us to gather valuable details about our markets, the effects of our advertising campaigns, and other travel trends.

Ends Policy 4: A Saskatchewan population knowledgeable and supportive of tourism.

- *Tourism Saskatchewan, with partners, proven a primary source for tourism product information*
- *New non-traditional partnerships developed*
- *Getaway in Saskatchewan promotion with SaskTel*
- *Worked with tourism regions on summer and winter newspaper inserts*
- *Tourism section appears in 2000 Saskatchewan Atlas*
- *Produced third edition of the popular Land of Living Skies calendar*
- *Public reminded of the benefits of tourism through news releases, news conferences and various television and radio features.*

In the summer of 2000, the Parks Branch of Saskatchewan Environment and Resource Management, with support from Tourism Saskatchewan, conducted a survey of provincial park visitors. These visitors were asked what sources they use for information about provincial parks. Their responses showed that 45 per cent used Tourism Saskatchewan publications, 37 per cent used tourism flyers, 19 per cent tourist information centres, 18 per cent the Internet, and five per cent the Tourism Saskatchewan toll free travel information phone number. These results indicate that Tourism Saskatchewan, with our partners, has become a primary source of tourist product information, both for our own residents as well as non-resident visitors.

Tourism Saskatchewan continued to work with existing non-traditional partners, and developed new partnerships in the past year with Weyerhaeuser, Jordan Ewart Insurance, Color Productions, the Anniversaries Secretariat, SaskCulture Inc., Saskatchewan Parks and Recreation Association (SPRA) and Sask Sport Inc. A summer Saskatchewan vacation prize package program, first developed in 1999 with SaskTel as a means of promoting 3-Way Calling, was expanded for the summer of 2000 and called Getaway in Saskatchewan. It involved 11 prize packages and three different tourism operators, with prizes drawn for weekly through May and June from among all SaskTel long distance users. This program provided invaluable promotion of Saskatchewan vacation opportunities, exposing our tourism product to 450,000

households across the province through an insert in a SaskTel mailing, as well as extensive television, radio, newspaper and billboard advertising.

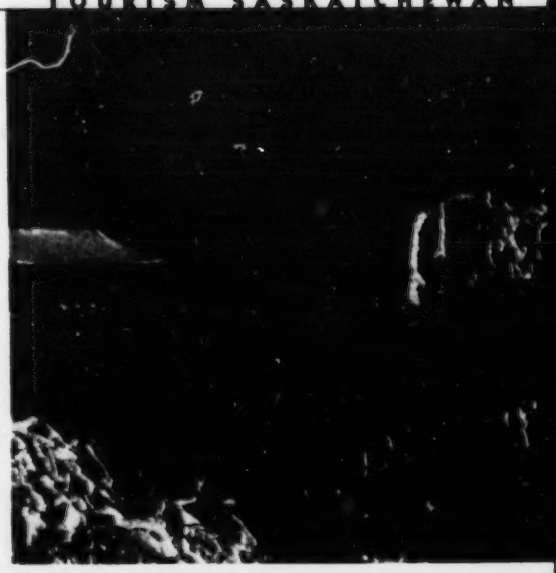
Our ongoing commitment to partnership development meant that Tourism Saskatchewan had a full complement of sponsors for all our events in 1999/2000. Our non-traditional business partners included: Labatt; PrintWest; SaskTel; Arcas; Brown Communications Group; CAA Saskatchewan; Devel-Tech; Displayco Canada Inc.; Ducks Unlimited Canada; Golden West Radio Saskatchewan; Hotels Association of Saskatchewan; Saskatchewan Trade and Export Partnership (STEP); TD Bank; Total Radio Network Saskatchewan; Walker Photography; The StarPhoenix; LeaderPost; Moose Jaw Times Herald; and Prince Albert Daily Herald, in addition to the seven new partners named above.

Tourism Saskatchewan and the tourism regions worked with major newspapers in the province to put together informative summer and winter tourism inserts that reached thousands around the province. The inserts highlighted the many activities and attractions the province has to offer.

The organization worked with the University of Saskatchewan to provide a special tourism industry section for the 2000 Saskatchewan Atlas. The nine-page section includes colorful photos, editorial, graphs and maps showcasing our industry and the economic and lifestyle benefits tourism brings to the province. In partnership with PrintWest and Walker Photography, Tourism Saskatchewan produced the third edition of the Land of Living Skies calendar, now available in stores and through our office. We also produced a new series of Saskatchewan postcards.

The Saskatchewan public was reminded of the benefits and importance of the provincial tourism industry on a regular basis through 15 news releases and four news conference announcements, highlighting achievements that included the launch of the new on-line events calendar – the first of its kind in Canada. This was also an innovative partnership initiative, with the Anniversaries Secretariat, SaskCulture and Sask Sport, providing information on more than 1,300 events throughout the province, accessible through all four organizations' web sites. The Tourism Award of Excellence finalists and winners were announced through news releases and their achievements were celebrated at the annual awards gala in March. Our record level of tourism inquiries was announced, as was major funding for the tourism Business Skills Development program through the Western Economic Partnership Agreement (WEPA).

Additionally, 13 radio stations across the province received weekly tourism event information throughout the entire year, and CBC Radio carried a twice-monthly 10-minute tourism events and attractions program through much of the year. The tourism regions participated in monthly hour-long programs carried on News Talk Radio in Regina and Saskatoon and in interviews on CKTV's News at Noon, profiling events and attractions in their regions.



Ends Policy 5: Effective support structures and relationships among tourism industry stakeholders.

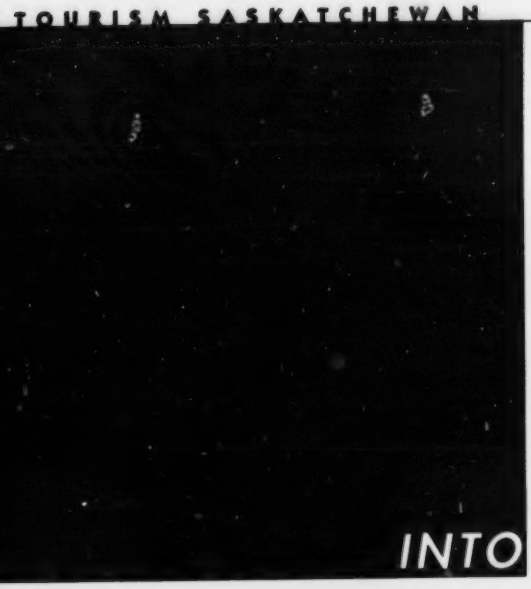
- *Exceeded 2000 Tourism Saskatchewan members in September 2000*
- *Record attendance at 1999 Fall General Meeting and Conference*
- *Orientation and training opportunities provided to Tourism Region Managers*
- *Staff met and shared information with a variety of tourism-related groups and individuals*

Tourism Saskatchewan reached 2000 in 2000! That's right, our membership topped the 2000 mark in September 2000, giving our organization the distinction of having the largest paid membership base of any provincial tourism industry association in the country. It also means that our membership has doubled since the merger with the Tourism Industry Association of Saskatchewan in 1996, when membership was at 1,004. Membership in our organization was streamlined and improved through our work with the tourism regions to allow for integrated membership at three levels. Members who join a city destination marketing organization automatically become members of the region and of Tourism Saskatchewan.

Member support was also evident over the past year, with a record attendance level of more than 230 delegates at our fall conference in December 1999. A highlight of the fall conference was the attendance of Premier Romanow, who delivered a keynote address commending the industry on its successes and predicting a bright future for tourism in the province.

Over the past year, Tourism Saskatchewan's ongoing commitment to the province's tourism regions has been carried out in a variety of ways. New regional managers received a three-day Tourism Saskatchewan Orientation in November 1999, as well as training sessions and workshops that covered trade and consumer shows, highway signage information, and travel and consumer data collection. As well, all region managers are enrolled in STEC Tourism Region Manager Certification.

Tourism Saskatchewan staff members shared information on marketing, packaging, research and economic analysis with groups such as the SCVA, the Regional Parks Association, tourism region managers and Regional Economic Development Authorities. We are also working with the regions to develop a primary customer and travel trade database, so that together we can develop, utilize and deliver market research information.



INTO THE NEW MILLENNIUM

Excitement over the approach of the year 2000 was tinged by fears of technology failures that did not materialize. The successful transition to 2000 augurs well for a bright future, in tourism as much or more than in other industries. This new century may well make its way into the history books as the "age of travel," or, more accurately, as the "age of computer travel," as more and more people conduct travel research and even make bookings on-line.

Saskatchewan's tourism industry has caught this travel technology wave, with the Tourism Saskatchewan web site and the Saskatchewan TourNet playing a critical role in the growing awareness of our province as a "new" destination. We are on the leading edge in ecotourism, as well, which offers our industry, our residents and our visitors a sense of satisfaction in the enjoyment and preservation of Saskatchewan's vast and varied natural areas. The Horizons accreditation system is a starting point not only for ecotourism operators, but has potential to guide our entire tourism industry in becoming more "green" – something that more and more travellers are looking for.

The growth of tourism in Saskatchewan heading into the millennium has already shown signs in 2000 of continuing, with marked increases in tourism employment and travel expenditures – led by increases in American visits to Saskatchewan – compared to the record-breaking year of 1998. Effective partnerships such as the Bid Saskatchewan initiative, leading to such major events within the province as the upcoming Memorial Cup in 2001 and the Grey Cup in 2003, are raising Saskatchewan's profile and drawing more visitors, while leading us towards centennial celebrations in 2005.

Changes within our industry heading into 2000 have played a critical role in this growth and success, as well. The creation of Tourism Saskatchewan, the restructuring of the regions from nine to five rural organizations with their own marketing and administration staff, ongoing work on accreditation– all have helped to position our province to take advantage of tourism's incredible potential.

Deloitte & Touche

AUDITORS' REPORT

**TO THE MEMBERS OF
TOURISM AUTHORITY
o/a TOURISM SASKATCHEWAN**

We have audited the balance sheet of Tourism Saskatchewan as at September 30, 2000 and the statements of operations, cash flows and changes in net assets for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at September 30, 2000 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

November 1, 2000

BALANCE SHEET

SEPTEMBER 30, 2000

	2000	1999
ASSETS		
CURRENT		
Accounts receivable	$ 406,042	$ 594,128
GST receivable (Note 3)	47,678	20,902
Inventory	169,553	251,909
Prepaid expenses	260,247	181,403
	883,520	1,048,342
INVESTMENT	12,500	25,000
CAPITAL ASSETS (Note 4)	1,037,957	722,648
	$1,933,977	$1,795,990
LIABILITIES AND NET ASSETS		
CURRENT		
Bank indebtedness (Note 5)	$21,565	$698,126
Accounts payable and accrued liabilities	552,173	520,262
Unearned revenue	102,792	80,759
Deferred grant contribution (Note 6)	288,125	288,125
Current portion of long term debt (Note 7)	34,811	10,344
	999,466	1,597,616
LONG TERM		
Deferred contribution related to capital assets (Note 6)	36,976	-
Leasehold improvement loan (Note 7)	388,911	-
	1,425,353	1,597,616
NET ASSETS		
Net assets invested in capital assets	577,259	712,304
Net assets restricted for Provincial Marketing Fund (Note 8)	29,754	-
Unrestricted net assets (deficit)	(98,389)	(513,930)
	508,624	198,374
	$1,933,977	$1,795,990

See accompanying notes to financial statements.

APPROVED BY THE BOARD

Director _____

Director _____

STATEMENT OF OPERATIONS

YEAR ENDED SEPTEMBER 30, 2000

	2000	1999
REVENUE		
Operating Grant - Province of Saskatchewan	$ 6,915,000	$ 6,915,000
Industry In-Kind Contributions (Note 2f)	1,912,339	2,762,423
Partnership (Note 2a)	1,296,971	1,468,954
Education and training (Note 9)	933,628	1,120,108
Advertising	228,019	321,129
Retail sales (Note 10)	66,926	159,094
Listings	114,809	118,942
Membership	39,910	31,172
Marketing blitzes	9,498	6,481
Interest and other	3,762	12,834
	11,520,862	12,916,137
EXPENSES		
Administration (Schedule 1)	1,103,916	1,271,094
Education & training (Schedule 2)	1,102,424	1,613,683
Marketing & advertising (Schedule 3)	6,972,059	8,536,744
Membership & visitor services (Schedule 4)	1,996,200	2,097,227
Board & committees	36,013	92,079
	11,210,612	13,610,827
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	$310,250	$(694,690)

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED SEPTEMBER 30, 2000

NET ASSETS (DEFICIT)	*Invested in capital assets*	*Restricted for Provincial Marketing Fund*	*Unrestricted*	*2000 Total*	*1999 Total*
Balance, beginning of year	$712,304	$ -	$(513,930)	$198,374	$893,064
Excess (deficiency) of revenue over expenses (1)	(235,248)	-	545,498	310,250	(694,690)
Investment in capital assets (2)	100,203	-	(100,203)	-	-
Internally imposed restrictions (Note 8)	-	29,754	(29,754)	-	-
Balance, end of year	$577,259	$29,754	$(98,389)	$508,624	$198,374

See accompanying notes to financial statements.

(1) Consists of:	
Depreciation expense	$253,736
less amortization of deferred contributions related to capital assets (Note 6)	(18,488)
Reduction in net assets invested in capital assets	$235,248

(2) Consists of:	
Repayment of capital lease obligation	$10,344
Repayment of leasehold improvement loan	31,936
Purchase of capital assets with unrestricted resources	57,923
Increase in net assets invested in capital assets	$100,203

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2000

	2000	1999
Cash from operating activities		
Excess (deficiency) of revenue over expenses	$ 310,250	$ (694,690)
Add (deduct) items not requiring the use of cash:		
Depreciation of capital assets	253,736	191,610
Write-down of investment	12,500	-
Amortization of deferred contributions related to capital assets (Note 6)	(18,488)	-
	557,998	(503,080)
Net change in non-cash working capital items (Note 12)	218,766	333,848
Net cash generated from (used in) operating activities	776,764	(169,232)
Cash from investing activities		
Increase in deferred contributions related to capital assets (Note 6)	55,464	-
Purchase of capital assets	(569,045)	(258,044)
Net cash used in investing activities	(513,581)	(258,044)
Cash from financing activities		
Repayment of capital lease obligation	(10,344)	(20,688)
Proceeds from leasehold improvement loan	455,658	-
Repayment of leasehold improvement loan	(31,936)	-
Net cash generated from (used in) financing activities	413,378	(20,688)
Net increase (decrease) in cash	676,561	(447,964)
Bank indebtedness, beginning of year	(698,126)	(250,162)
Bank indebtedness, end of year	$(21,565)	$(698,126)

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2000

1. DESCRIPTION OF BUSINESS

The Tourism Authority, operating as Tourism Saskatchewan (the "Authority"), was incorporated as a non-profit organization under the Tourism Authority Act and commenced operations on October 1, 1994. The Authority was formed to promote and develop tourism in Saskatchewan on behalf of the tourism industry and the Government of Saskatchewan. Certain assets were transferred to the Authority from the Government of Saskatchewan, Department of Economic Development and Saskatchewan Property Management Corporation (SPMC).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Revenue Recognition

The Authority follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated, collection is reasonably assured and the expenses relating to the contribution are incurred.

The Authority approves funding for marketing programs to regional partners on an annual basis and to industry partners on a project specific basis. The Authority contributes up to 50% of total expenditures. The Authority also recognizes the partners' contribution to the projects as partnership revenue, offset by an equivalent amount being recognized as marketing expenditures.

b) Inventory

Inventory is valued at the lower of cost and net realizable value.

c) Investment

The investment is accounted for using the cost method.

d) Capital Assets

Capital assets are recorded at cost and depreciated over their estimated useful lives. Leasehold improvements are depreciated over the lease terms. Depreciation is calculated using the straight-line method at the following annual rates:

Photo library	10%
Furniture & equipment	10% to 20%
Computer equipment	33%
Central Reservation System	13%
Leasehold improvements	10% to 20%
Signs & displays	20%

e) Unearned Revenue

Advertising and listing amounts received, which are related to future publications, are recorded as unearned revenue.

f) Industry In-Kind Contributions

Goods and services, except for volunteer labour, provided to the Authority by industry partners at a discounted or complimentary rate to the organization are recognized at fair market value. The amounts are recorded as Industry In-Kind Contributions revenue, offset by equivalent amounts allocated among the related expense categories.

g) Income Taxes

The Authority is incorporated as a non-profit organization and is exempt from income taxes.

h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from the current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. GST RECEIVABLE

The Authority claims goods and services input tax credits based upon its level of staff time devoted to generating GST taxable supplies. For the year ended September 30, 2000, the applicable rate was 70%. Purchases of goods for resale are eligible for 100% input tax credits.

GST receivable is net of any GST payable.

4. CAPITAL ASSETS

	Cost	Accumulated Depreciation	Net Book Value 2000	Net Book Value 1999
Photo library	$276,645	$64,136	$212,509	$222,329
Furniture and equipment	309,890	119,526	190,364	198,790
Computer equipment	387,696	325,943	61,753	92,378
Central Reservation System	219,035	105,207	113,828	135,407
Leasehold improvements	447,134	34,219	412,915	9,406
Signs and displays	101,186	54,598	46,588	64,338
	$1,741,586	$703,629	$1,037,957	$722,648

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2000

5. BANK INDEBTEDNESS

The Authority has access to the following operating line of credit limits, repayable on demand with interest paid monthly at the TD Bank prime rate.

Base operating limit	$ 500,000
Incremental (available December 15 to March 31, annually)	$ 200,000

6. DEFERRED CONTRIBUTIONS

Deferred Grant Contribution

Deferred grant contribution represents the accelerated receipt of an operating grant payment from Economic and Co-operative Development. Pursuant to the $6,915,000 annual funding agreement, the payment schedule was revised during the 1998/99 fiscal year. The transition to the revised payment schedule resulted in an accelerated payment of $288,125 being received before the Authority's 1998/99 fiscal year end. $288,125 of the annual receipts will continue to be deferred to maintain a level of operating grant revenue consistent with the annual funding agreement.

Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent contributions received for the purpose of purchasing capital assets for specific projects. During the year, $55,464 of contributions for the purchase of capital assets has been deferred. The contributions are being recognized on the same basis as the related capital assets are depreciated. During the year, $18,488 of the deferred contribution related to capital assets has been recognized as a reduction to depreciation expense. The remaining deferred contribution at September 30, 2000 is $36,976.

7. LONG TERM LIABILITIES

	2000	1999
Leasehold Improvement Loan		
Leasehold improvement loan due December 31, 2009 with an interest rate of 8.5%, repayable in monthly installments of $5,791 including principal and interest, secured by leasehold improvements and other capital assets.	$423,722	$ -
Obligation Under Capital Lease		
Central Reservation System lease, 36 month term, expiring February 1, 2000 with monthly lease payments of $1,807,including taxes.	-	10,344
Less due within one year	(34,811)	(10,344)
	$ 388,911	$ -

8. NET ASSETS RESTRICTED FOR PROVINCIAL MARKETING FUND

During the year, the Authority's board of directors internally restricted $29,754 of unrestricted net assets for provincial marketing campaigns to be developed by the President's Marketing Advisory Council. The amount represents unspent marketing funds from the 1998/1999 marketing contracts with the tourism regions and is being restricted for this purpose consistent with the recommendation presented in the "KEEPING P.A.C.E." report of April 1998. These internally restricted amounts are not available for other purposes without approval of the board of directors.

Changes to the balance of net assets restricted for the Provincial Marketing Fund are as follows:

	2000
Beginning balance	$ -
Add internally imposed restrictions during the year	29,754
Less expenditures incurred during the year on provincial marketing campaigns	-
Ending balance	$29,754

9. INDUSTRY CONTRIBUTIONS

Industry contributions not reflected in the financial statements amount to $305,428 ($223,939 in 1999) based upon management's figures submitted to the Canadian Tourism Human Resource Council (CTHRC). This amount relates to volunteer labour provided to training participants by industry partners at no cost for training and education initiatives under the CTHRC program.

10. RETAIL SALES

Retail sales are shown net of cost of goods sold of $68,096 ($88,190 in 1999).

11. COMMITMENTS

Leases

The Authority has entered into leases for office premises in Regina and Saskatoon and Visitor Information Centres at various locations in the province. The future minimum lease payments are as follows:

2001	$259,588
2002	259,675
2003	259,675
2004	179,562
2005	176,167

Partnership Marketing Fund

The Authority has entered into contracts with the tourism regions to provide funds for eligible marketing activities to be carried out subsequent to the year-end. The maximum amount remaining to be paid out pursuant to these contracts and subject to the regions incurring eligible marketing expenditures by November 30, 2000 is $51,600.

12. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	2000	1999
Accounts receivable	$188,086	$44,386
GST receivable	(26,776)	10,338
Inventory	82,356	(85,406)
Prepaid expenses	(78,844)	258,328
Accounts payable and accrued liabilities	31,911	(125,557)
Unearned revenue	22,033	(56,366)
Deferred grant contribution	-	288,125
	$218,766	$333,848

13. COMPARATIVE FIGURES

Certain of prior year's comparative figures have been reclassified to conform to the current year's presentation.

SCHEDULE OF ADMINISTRATION EXPENSES

YEAR ENDED SEPTEMBER 30, 2000

Schedule 1

	2000	1999
Bad debts	$15,822	$26,649
Building rental	32,962	41,358
Depreciation	25,520	19,103
Equipment rental	27,445	21,025
Insurance	11,875	10,674
Interest and bank charges	58,650	28,642
Legal	9,939	12,362
Postage	20,760	24,139
Professional services	27,455	89,867
Repairs and maintenance	4,295	1,950
Salaries and benefits	793,114	865,218
Stationery and supplies	19,871	25,093
System consulting/development	36,860	44,296
Telephone	14,620	17,304
Travel	4,728	43,414
	$1,103,916	$1,271,094

See accompanying notes to financial statements.

SCHEDULE OF EDUCATION & TRAINING EXPENSES

YEAR ENDED SEPTEMBER 30, 2000

Schedule 2

	2000	1999
Building rental	$49,239	$62,036
Depreciation	38,279	28,654
Professional services	151,449	378,501
Salaries and benefits	533,205	591,467
STEC training costs	289,629	443,693
Travel	32,089	73,775
Industry in-kind contributed goods and services	8,534	35,557
	$1,102,424	$1,613,683

See accompanying notes to financial statements.

SCHEDULE OF MARKETING & ADVERTISING EXPENSES

YEAR ENDED SEPTEMBER 30, 2000

Schedule 3

	2000	1999
Advertising and media publicity	$1,431,872	$1,976,548
Association and professional dues	15,225	16,199
Audio visual supplies	1,184	9,951
Building rental	53,342	67,206
Courier and freight	26,885	46,215
Depreciation	55,301	43,983
Events	82,245	83,045
Partnership marketing fund	1,317,561	1,016,205
Postage	20,432	31,271
Professional services	191,149	459,924
Promotional items	21,166	15,655
Salaries and benefits	975,970	1,138,194
Subscriptions and reference material	2,009	4,367
Telephone	24,579	29,019
Tourism regions and industry partners marketing (Note 2a)	706,000	522,000
Travel	165,315	269,246
Travel show costs	54,019	150,850
Industry in-kind contributed goods and services	1,827,805	2,656,866
	$6,972,059	$8,536,744

See accompanying notes to financial statements.

SCHEDULE OF MEMBERSHIP & VISITOR SERVICES EXPENSES

YEAR ENDED SEPTEMBER 30, 2000

Schedule 4

	2000	1999
Building rental	$156,320	$156,558
Depreciation	116,148	99,870
Postage	176,598	268,142
Printing, publishing and duplication	120,285	210,386
Professional services	3,762	13,725
Salaries and benefits	684,648	721,087
Telephone	65,884	72,056
Travel	7,714	11,781
Travel literature	588,841	473,622
Industry in-kind contributed goods and services	76,000	70,000
	$1,996,200	$2,097,227

See accompanying notes to financial statements.